

Supplementing Temporary Disability

Overview

Temporary Disability (TD) benefits are paid to an employee who is unable to work due to a work-related injury or illness. TD payments are not taxable and paid to you directly by State Compensation Insurance Fund (SCIF). SCIF issues payments every two weeks. Your weekly TD payment rate is based on two-thirds of your average weekly wages on the date of your injury or illness and considers any wages that you are anticipated or scheduled to receive during the known disability period. The Legislature determines the maximum and minimum weekly TD payment rates. Your TD payment will not exceed the maximum rate payable under the law.

You will be paid TD benefits if you are not eligible for or have exhausted your eligibility for an alternative temporary disability benefit. These benefits include Industrial Disability Leave (IDL), Enhanced Industrial Disability Leave (EIDL), or 4800/4800.5 time.

Prior to the start of TD, you must serve a “waiting period” of three-calendar days. The TD waiting period may begin the day following the date of injury and need not be consecutive days. You are paid administrative time off for lost time on the date of injury, provided you went to a doctor for medical treatment. The waiting period is waived if you are (1) hospitalized as a result of the injury or illness, (2) unable to work for more than 14 calendar days, (3) or the injury is the result of a criminal act of violence.

You don’t serve a new waiting period, if the waiting period was previously met while you received IDL, EIDL, or

4800/4800.5 time for the same work-related injury or illness.

While receiving TD benefits you will earn leave credits and State service credits based on what you would have earned while working. If a holiday falls within the pay period you will earn holiday credit. However, no contributions to CalPERS are made while you are receiving TD benefits.

You may be eligible to supplement your TD benefit up to your full salary with any accrued leave credits. This benefit is called TD with Supplementation (TD/S).

Who is eligible for TD/S?

All employees eligible to receive TD are eligible for TD/S.

How does TD/S work?

If eligible, you may supplement TD with sick leave, compensating time off, vacation, annual leave, personal leave, or holiday credit each month. You can’t use fractions of an hour to supplement TD. TD payments may be supplemented up to an amount that approximates your full salary or you may choose to supplement with less time. The supplementation amount may be terminated or reduced, but changes will be made on a prospective basis only. The effective date of any change will be the first day of the pay period following the pay period in which the change was submitted.

Leave credits needed for supplementation will be drawn in the following order, unless you specify a different order; (1) sick leave, (2) compensated time off, (3) vacation or

annual leave, (4) and other leave credits (e.g., holiday credit).

Any credits used for supplementation purposes are not restored.

How many hours of leave credits are needed for TD/S?

The amount of leave credits you'll need to supplement TD will depend on many variables including your monthly salary, the number of days on TD, the number of days in the pay period, and other pay you receive during the pay period. Your Personnel Office will determine the maximum level of supplementation allowed under TD/S. If you do not wish to use the maximum level of supplementation, you may choose a lesser amount. However, fractions of an hour may not be used for supplementation.

What if my leave credits fall below the selected supplementation amount?

If your leave credits fall below your selected supplementation amount, the supplementation amount will be reduced to the amount of leave credits that are available each month (except that fractions of an hour may not be used).

If the leave credits available at the time of my injury run out, may the credits I earn each month be used for supplementation?

Yes, you may use any leave credits that you earn while on TD.

What if I am only on TD for part of the month?

If you receive TD/S and regular pay during the same pay period, your Personnel Office will change the level of supplementation to insure that your combined pay approximates but does not exceed your full pay.

What does "Full Pay" mean?

For the purpose of calculating your supplementation level for TD/S, full pay means the TD payment combined with supplementation payment approximates your full salary.

Is TD/S income treated the same as regular TD income?

TD payments are issued by SCIF and have no deductions withheld. However, supplementation income is taxable and will be reported on your W-2 form at the end of the year. Federal and state taxes along with Social Security/Medicare will be withheld from supplementation pay. Tax deductions will be based on current year filing status.

Retirement contributions are also deducted from supplementation pay based only upon the amount issued as supplementation. The amount of retirement contribution deducted from supplementation pay will not cover your full retirement contribution. If you wish to make arrangements to pay the difference, contact CalPERS. You will only earn retirement credit based on the amount of retirement contributions paid to CalPERS.

Additionally, all mandatory and voluntary deductions will be withheld from supplementation pay if not already deducted from another payment in the pay period. These deductions will

continue provided the supplementation pay is sufficient to cover the deductions. You must cancel the deductions you do not wish to have withheld from supplementation pay.

How long does TD/S last?

Your supplementation will continue until (1) your eligibility to receive TD benefits ends, (2) you voluntarily stop supplementing TD, (3) you are furloughed, (4) you are involuntarily suspended, (5) or you separate from State service.

How do I continue my health benefit coverage, if I choose not to supplement my TD benefit?

You are entitled to a continuation of your health benefit coverage, however you must make arrangements with your Personnel Office to pay your employee contribution, if one is due.

What are the major advantages and disadvantages of TD/S?

The major advantages to TD/S include (1) the ability to obtain a higher level of compensation while on disability leave than would otherwise be possible on TD alone, (2) and the ability to maintain certain miscellaneous deductions like deferred compensation, health benefits, or other deductions that cannot be deducted from a TD payment.

The major disadvantage to TD/S is that it may reduce your leave balance to a level that will be insufficient to meet future needs when you return to work.

What is the TD/S enrollment process?

Your Personnel Office will notify you of your option to choose either TD or TD/S once notified that your injury or illness is determined to be work related and TD benefits are paid. Your Personnel Office will include the calculations showing the amount of leave credits necessary for full supplementation of your TD payment. You must notify your Personnel Office of your selection within 15 days from receiving notification that you are eligible for TD/S.

What happens if I fail to make a timely choice?

If you don't choose between TD and TD/S, your Personnel Office will automatically supplement your TD payment. Supplementation will continue until you notify your Personnel Office that you don't want to supplement your TD payment.

Are there any circumstances when I could be denied TD/S?

Yes. You can be denied TD/S if; (1) you are furloughed, (2) you are involuntarily suspended, (3) or you separate from State service.

If I am denied TD/S, or am dissatisfied with the supplementation limitations, can I file a grievance?

You can file a grievance by following the procedures outlined in the Government Code and the California Administrative Code, Title 2 that relates to supplementation of TD benefits.